



Date: October 22, 2013
To: City Manager for Council Action
From: Director of Electric Utility
Subject: Adoption of a Resolution Updating the City of Santa Clara's Renewable Energy Resource Procurement Plan

EXECUTIVE SUMMARY:

Senate Bill 1078 (SB 1078), passed in September, 2002, mandated a renewable portfolio standard (RPS) to support the development and use of renewable resources in California. This legislation instructed investor-owned utilities (IOUs) to procure 20% of the energy sold to customers from renewable energy resources by 2010. It also required the governing boards of publicly owned utilities (POUs) to implement and enforce their own RPS, consistent with the standards applicable to IOUs. Subsequently, in 2006, Assembly Bill 32 (AB32) called for reduction of greenhouse gas (GHG) emissions to 1990 levels by 2020. Pursuant to the passage of AB32, the California Air Resources Board (CARB) ordered industrial firms to report their GHG emissions, and adopted regulations setting forth the steps to be undertaken by utilities to comply with RPS requirements. On April 12, 2011, the Governor signed Senate Bill 1 2 (SBX1 2), which wrote specific RPS requirements and timelines for all electric utilities, IOUs and POUs alike, into state law.

Under Public Utility Code (PUC) §399.3 (c)(3) and §399.3 (e), each POU must adopt and implement a renewable energy resources procurement plan (RPS Procurement Plan) and a program for the enforcement of the RPS Procurement Plan (RPS Enforcement Program) and update these documents as appropriate, at a publicly noticed meeting. On December 6, 2011, the City adopted Resolution 11-7892 by which Silicon Valley Power (SVP) adopted an RPS Procurement Plan and an RPS Enforcement Program, specifying the percentages of retail sales to be made from renewable energy sources each year, complying with SBX1 2. The percentages which were adopted are as follows:

- At least 20% of annual retail sales by December 31, 2013
- At least 25% of annual retail sales by December 31, 2016
- At least 33% of annual retail sales by December 31, 2020 and in each succeeding year.

This RPS Procurement Plan replaces the RPS Procurement Plan adopted by the City on December 6, 2011, and reflects the changes resulting from the California Energy Commission's (CEC) adoption of the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* (RPS Regulations) on June 12, 2013. Changes from the previous plan include the following:

- Revisions to section 3 on Procurement Targets, with the addition of formulas to calculate the procurement target in each compliance period
- Addition of Section 10 on Historic Carryover, which allows SVP to apply renewable energy procured between 2004 and 2010, which was not already applied to other RPS targets, to SVP's procurement target for the compliance period ending December 31, 2013, or for any subsequent compliance periods.
- Revisions to Section 11 on Compliance Reporting, as specified in Section 3207 of the CEC RPS Regulations.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

The effective date of the new CEC RPS Regulations is October 1, 2013. Adoption of this updated RPS Procurement Plan allows SVP to comply with these new regulations.


The new section on Historic Carryover allows SVP to receive value for its early investments in renewable energy resources. This allows SVP to apply procurement generated between January 1, 2004 and December 31, 2010 to any RPS compliance periods beginning January 1, 2011, provided the generation meets the criteria specified in the RPS Regulations.

ECONOMIC/FISCAL IMPACT:

SVP is in the process of calculating its historic carryover balance. Assuming that SVP has approximately 850,000 MWh of historic carryover that can be applied to its RPS requirements in the first or subsequent compliance periods, and depending on the equivalent renewable energy credit value, SVP and its customers can get credit for these early investments.

RECOMMENDATION:

That Council adopt the Resolution updating the City of Santa Clara's Renewable Energy Resource Procurement Plan (RPS Procurement Plan).



John C. Roukema
Director of Electric Utility

APPROVED:



Julio J. Fuentes
City Manager

Documents Related to this Report:

- 1) Renewable Energy Resources Procurement Plan (RPS Procurement Plan); Effective January 1, 2013 and Revised October 8, 2013***
- 2) Resolution***

THE CITY OF SANTA CLARA
RENEWABLE ENERGY RESOURCES PROCUREMENT PLAN
(RPS PROCUREMENT PLAN)

INTRODUCTION

In 2008, the City of Santa Clara ("City") adopted an Environmental Stewardship and Renewable Portfolio Standard Policy Statement ("the Statement"). Within the Statement, the City adopted for the Electric Utility, Silicon Valley Power (SVP), a renewable portfolio standard ("RPS") procurement plan which included a procurement target of 33% of retail sales being met by eligible renewable energy resources by the year 2020. In the intervening years, SVP has delivered eligible renewable energy in excess of 25% to its retail customers. It is the intent of the City, through its utility SVP, to continue to support the acquisition and/or ownership of renewable resources and work diligently to increase the amount of renewable power in the portfolio.

Senate Bill SBX1-2, enacted in the 2011-2012 First Extraordinary Session of the Legislature, modified the state's renewable portfolio standard program and set forth new RPS requirements applicable to public owned utilities (POUs). SVP, as a POU, must comply with SBX1 2. Under Public Utilities Code (PUC) § 399.30(a), each POU must adopt and implement a renewable energy resources procurement plan (RPS Procurement Plan) and revise it as necessary. This document replaces the RPS Procurement Plan approved by the City council on December 6, 2011 and reflects the many changes and additions included in the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* (RPS Regulations), adopted by the California Energy Commission (CEC) on June 12, 2013.

In addition to the development of an RPS Procurement Plan, and in accordance with SBX1 2, SVP adopted and implemented a separate program for the enforcement of the RPS Procurement Plan on December 6, 2011, which was before January 1, 2012, in accordance with SB X1 2.

1. Purpose (§ 399.30(a))

In order to fulfill unmet long-term generation resource needs, the City adopts and implements this RPS Procurement Plan, which requires SVP to procure a minimum quantity of electricity products from eligible renewable energy resources, including renewable energy credits, as a specified percentage of SVP's total kilowatt hours sold to its retail end-use customers during each compliance period, to achieve the targets specified in Senate Bill 2 (First Extraordinary Session).

2. Compliance Periods (§ 399.30(b))

City hereby adopts the following Compliance Periods for RPS Procurement:

A. Compliance Period 1: January 1, 2011, to December 31, 2013, inclusive.

- B. Compliance Period 2: January 1, 2014, to December 31, 2016, inclusive.
- C. Compliance Period 3: January 1, 2017, to December 31, 2020, inclusive.
- D. Annual Compliance Periods: Annually after 2020.

3. **Procurement Targets of Renewable Energy Resources for Each Compliance Period (§§ 399.30(c)(1) and (2))**

- A. During Compliance Period 1, January 1, 2011 to December 31, 2013, SVP shall procure renewable energy resources equivalent to an average of twenty percent (20%) of retail sales, applying the following formula:

$$\frac{EP_{2011} + EP_{2012} + EP_{2013}}{RS_{2011} + RS_{2012} + RS_{2013}} > .20$$

Where:

RS_x = total retail sales made by POU for the specified year x

EP_x = electricity products retired for the specified year x; this may include excess procurement and historic carryover that the POU has chosen to apply to the compliance period containing year x

- B. By the end of Compliance Period 2, December 31, 2016, SVP shall procure renewable energy resources equivalent to at least twenty-five percent (25%) of retail sales, applying the following formula:

$$EP_{2014} + EP_{2015} + EP_{2016} > 0.20(RS_{2014}) + 0.20(RS_{2015}) + 0.25(RS_{2016})$$

- C. By the end of Compliance Period 3, December 31, 2020, SVP shall procure renewable energy resources equivalent to at least thirty-three percent (33%) of retail sales. During the intervening years of Compliance Period 3, SVP shall increase procurement annually to reflect an imputed 2020 compliance obligation expressed as:

$$\begin{aligned} & (EP_{2017} + EP_{2018} + EP_{2019} + EP_{2020}) \\ & \geq 0.27(RS_{2017}) + (0.29(RS_{2018}) + 0.31(RS_{2019}) + 0.33(RS_{2020})) \end{aligned}$$

- D. Commencing on December 31, 2021, and annually thereafter, SVP shall procure renewable energy resources equivalent to not less than thirty-three percent (33%) of retail sales.

To determine the percentage achieved, SVP adds up the total eligible renewable resources procured in kilowatt-hours (kWh) by the utility during the preceding calendar year, subtract sales, if any, of eligible renewable resource during the same time period,

and divides that sum by the total energy sold (in kWh) to retail end-use customers in the same time period.

SVP shall account for these percentages of renewable energy in its portfolio by using ("retiring") renewable energy credits sufficient at the end of each compliance period to meet the compliance period's procurement target.

SVP operational management may determine that a higher percentage of renewable energy resources is appropriate in any given compliance period. The procurement targets will be considered the minimum requirement.

4. Reasonable Progress Towards Meeting Compliance Period Targets (§§ 399.30(c)(1) and (2))

- A. By December 31, 2014, SVP shall demonstrate that it is making reasonable progress towards ensuring that it shall meet the twenty-five percent (25%) RPS target by 2016.
- B. By December 31, 2015, SVP shall demonstrate that it is making reasonable progress towards ensuring that it shall meet the twenty-five percent (25%) RPS target by 2016.
- C. By December 31, 2017, SVP shall demonstrate that it is making reasonable progress towards ensuring that it shall meet the thirty-three percent (33%) RPS target by 2020.
- D. By December 31, 2018, SVP shall demonstrate that it is making reasonable progress towards ensuring that it shall meet the thirty-three percent (33%) RPS target by 2020.
- E. By December 31, 2019, SVP shall demonstrate that it is making reasonable progress towards ensuring that it shall meet the thirty-three percent (33%) RPS target by 2020.

5. Procurement Requirements – Definitions for Content Categories (399.30(c)(3))

SVP shall adopt procurement Content Categories that meet the criteria for the following eligible renewable energy resource electricity products:

- A. Content Category 1 (consistent with § 399.16(b)(1)): Resources in this category shall either:
 - (1) Have a first point of interconnection with a California balancing authority, have a first point of interconnection with distribution facilities used to serve end users within a California balancing authority area, or be scheduled from the eligible renewable energy resource into a California balancing authority without substituting electricity from another source,

whether procured or produced as an unbundled product or renewable energy credit or procured or produced as a bundled product (even if subsequently unbundled). The use of another source to provide real-time ancillary services required to maintain an hourly or subhourly import schedule into a California balancing authority shall be permitted, but only the fraction of the schedule actually generated by the eligible renewable energy resource shall count toward this portfolio content category.

(2) Have an agreement to dynamically transfer electricity to a California balancing authority.

B. Content Category 2 (consistent with § 399.16(b)(2)): Resources in this category shall include firmed and shaped eligible renewable energy resource electricity products providing incremental electricity and scheduled into a California balancing authority, regardless of location of the primary facility and/or the incremental resource linked to the primary facility. Resources within this category will be counted for RPS purposes or recorded with vintage within the Western Renewable Energy Generation Information system (WREGIS) within 12 months of generation.

C. Content Category 3 (consistent with § 399.16(b)(3)): Resources in this category shall include eligible renewable energy resource electricity products, or any fraction of the electricity generated, including unbundled renewable energy credits, that do not qualify under the criteria of Content Category 1 or Content Category 2.

D. Grandfathered Resources (§ 399.16(d)): Energy from any contract or ownership agreement originally executed prior to June 1, 2010 shall count in full towards the procurement requirements (even if subsequently unbundled), if all of the following conditions are met:

(1) The renewable energy resource was eligible under the rules in place as of the date when the contract was executed.¹

(2) Any contract amendments or modifications occurring after June 1, 2010, do not increase the nameplate capacity or expected quantities of annual generation, or substitute a different renewable energy resource.

(3) The duration of the contract may be extended if the original contract specified a procurement commitment of fifteen (15) or more years.

(4) "Eligible renewable energy resource" means an electrical generating facility that meets the definition of an "renewable electrical generation

¹ This would include all resources that were eligible under City of Santa Clara's Renewable Portfolio Standard as approved by Council in 2008. The definition of eligible renewable energy resources was then (as now) resources certified by the California Energy Commission at the time of the Agreement.

facility” pursuant to Section 25741 of the Public Resources Code, subject to the following: A facility approved by the governing board of a local publicly owned electric utility prior to June 1, 2010 for procurement to satisfy renewable energy procurement obligations adopted pursuant to former Section 387 shall be certified as an eligible renewable energy resource by the Energy Commission pursuant to this article if the facility is a “renewable electrical generation facility,” as defined in Section 25741 of the Public Resources Code. (§ 399.12(e)(1)(C)).

Resources procured prior to June 1, 2010 shall be counted in full for RPS compliance without regard to the limitations on the use of each portfolio Content Category as described in Section 6.

6. Portfolio Balancing Requirements – Quantity for Content Categories (§ 399.30(c)(3), § 399.16(c)(1) and (2))

- A. Compliance Period 1 Procurement Requirements: For Compliance Period 1, SVP shall procure not less than fifty percent (50%) of the eligible renewable energy resource electricity products associated with contracts executed after June 1, 2010 (non-Grandfathered) from Content Category 1, and not more than twenty-five percent (25%) from Content Category 3.
- B. Compliance Period 2 Procurement Requirements: For Compliance Period 2, SVP shall procure not less than sixty-five percent (65%) of the eligible renewable energy resource electricity products associated with contracts executed after June 1, 2010 (non-Grandfathered) from Content Category 1, and not more than fifteen percent (15%) from Content Category 3.
- C. Compliance Period 3 Procurement Requirements: For Compliance Period 3, SVP shall procure not less than seventy-five percent (75%) of the eligible renewable energy resource electricity products associated with contracts executed after June 1, 2010 (non-Grandfathered) from Content Category 1, and not more than ten percent (10%) from Content Category 3.
- D. Annual Procurement Requirements After 2020: Beginning in calendar year 2021 and annually thereafter, SVP shall procure not less than seventy-five percent (75%) of the eligible renewable energy resource electricity products associated with contracts executed after June 1, 2010 (non-Grandfathered) from Content Category 1, and not more than ten percent (10%) from Content Category 3.

7. Excess Procurement (§ 399.30(d)(1), §399.13(a)(4)(B))

SVP shall be allowed to apply excess procurement (“Excess Procurement”) from one compliance period to subsequent compliance periods as long as the following conditions are met:

- A. SVP may accumulate, beginning on January 1, 2011, Excess Procurement from one Compliance Period to be applied in any subsequent Compliance Period.
- B. In calculating the quantity of Excess Procurement, SVP shall deduct from actual procurement quantities the total amount of procurement associated with contracts less than ten (10) years in duration unless the electric product meets the criteria in section 3202(a)(2).
- C. Eligible resources must be from Content Category 1 or Content Category 2 or Grandfathered Resources to be Excess Procurement.

Excess Procurement will be quantified in values of renewable energy credits (RECs).

SVP shall also be permitted to sell Excess Procurement (or RECs) not required for compliance purposes to other parties, in accordance with the rules instituted under the new Sections 299.15, 299.21, 299.30, and 299.31 of the California Public Utilities Code. Sales of RECs may be made conjointly with sales of energy ("bundled") or separately ("unbundled").

Net proceeds from Excess Procurement REC sales shall be used for investment in or procurement of eligible renewable energy resources electricity products or to make payments against eligible renewable energy resources agreements contracted by SVP.

8. Waiver of Timely Compliance (§ 399.30(d)(2), § 399.15(b)(5))

- A. Waiver of Timely Compliance: Enforcement of timely compliance shall be waived if the SVP demonstrates that any of the following conditions are beyond the control of the SVP, and will prevent timely compliance:
 - 1. *Inadequate Transmission* (§ 399.15(b)(5)(A)): There is inadequate transmission capacity to allow for sufficient electricity to be delivered from SVP's proposed eligible renewable energy resource projects using the current operational protocols of City's Balancing Authority, the California Independent System Operator (CAISO). In making its findings relative to the existence of this condition, SVP's deliberations shall include, but not be limited to the following:
 - (a) Whether the SVP has undertaken, in a timely fashion, reasonable measures under its control and consistent with its obligations under local, state, and federal laws and regulations to develop and construct new transmission lines or upgrades to existing lines intended to transmit electricity generated by eligible renewable energy resources. In determining the reasonableness of a SVP's actions, the SVP shall consider its expectations for full-cost recovery for these transmission lines and upgrades, and

(b) Whether the SVP has taken all reasonable operational measures to maximize cost-effective deliveries of electricity from eligible renewable energy resources in advance of transmission availability.

2. *Permitting, interconnection, or other factors that delayed procurement or insufficient supply* (399.15(b)(5)(B)). In making its findings relative to the existence of this condition, SVP's deliberations shall include, but not be limited to the following:

(a) Whether SVP prudently managed portfolio risks, including relying on a sufficient number of viable projects;

(b) Whether SVP sought to develop one of the following: its own eligible renewable energy resources, transmission to interconnect to eligible renewable energy resources, or energy storage used to integrate eligible renewable energy resources.

(c) Whether SVP procured an appropriate minimum margin of procurement above the minimum procurement level necessary to comply with the renewables portfolio standard to compensate for foreseeable delays or insufficient supply;

(d) Whether SVP has taken reasonable measures, under its control to procure cost-effective distributed generation and allowable unbundled renewable energy credits;

3. *Unanticipated curtailment to address needs of the balancing authority* (§ 399.15(b)(5)(C)).

4. *Other actions beyond the control of SVP which impact timely deliveries of eligible renewable energy resource products including, but not limited, to acts of nature, terrorism, war, labor difficulty, civil disturbance, or market manipulation.*

- B. Procedures Upon Approving Waiver: In the event of a Waiver of Timely Compliance due to any of the factors set forth above, SVP shall implement the following procedures:

1. Establish additional reporting for intervening years to show demonstration of reasonable actions under the SVP's control are being taken (§ 399.15(b)(6)).

2. Require a demonstration that all reasonable actions within the SVP's control have been taken to ensure compliance in order to grant the waiver (§ 399.15(b)(7)).
- C. Prior Deficits: In no event shall a deficit from prior compliance periods be added to future compliance periods (§ 399.15(b)(9))

9. **Cost Limitations for Expenditures** (§ 399.30(d)(3), § 399.15(c))

SVP is committed to encouraging the development of more renewable energy resources, but not at “any cost” or unreasonable or imprudent expense to the ratepayers of the City of Santa Clara.

- A. Cost Limitations for Expenditures: The City, at its sole discretion, shall establish a cost limitation for all eligible renewable energy resources used to comply with the renewables portfolio standard.
- B. Cost Limitation Factors (§ 399.15(c)): In establishing the Cost Limitation for Expenditures, City shall take into consideration the following factors:
 1. The most recent renewable energy procurement plan.
 2. Procurement expenditures that approximate the expected cost of building, owning, and operating eligible renewable energy resources.
 3. The potential that some planned resource additions may be delayed or canceled.
- C. In developing the Cost Limitation for Expenditures, the City shall ensure all of the following:
 1. The limitation is set at a level that prevents disproportionate rate impacts.
 2. The costs of all procurement credited toward achieving the renewables portfolio standard are counted towards the limitation.
 3. Procurement expenditures do not include any indirect expenses, including imbalance energy charges, sale of excess energy, decreased generation from existing resources, transmission upgrades, or the costs associated with relicensing any utility-owned hydroelectric facilities

10. Historic Carryover

SVP intends to use Historic Carryover, as defined in the RPS Regulations, to meet its RPS procurement targets. Current calculations indicate that SVP has a significant amount of historic carryover due to SVP's early investment in renewable energy resources. SVP's use of Historic Carryover is subject to the following provisions:

- A. SVP will apply the following rules that comply with section 3206 (a)(5) of the RPS Regulations and that allow for procurement generated before January 1, 2011 that meets the criteria of Section 3202 (a)(2), that is in excess of the sum of the 2004-2010 annual procurement targets defined in Section 3206(a)(5)(D) and that was not applied to the RPS of another state or to a voluntary claim, to be applied to SVP's RPS procurement target for the compliance period ending December 31, 2013, or for any subsequent compliance period.
- B. Both the historic carryover and the procurement applied to SVP's annual procurement target must be from eligible renewable resources that were RPS-eligible under the rules in place at the time of execution of ownership agreement.
 - (1) Historic carryover must be procured pursuant to a contract or ownership agreement executed before June 1, 2010.
- C. Historic carryover will be calculated based on the following:
 - (1) A baseline of an amount equal to 2001 procurement divided by 2001 retail sales, multiplied by 2003 total retail sales, plus one percent of 2001 retail sales.
 - (2) Annual procurement targets for 2004-2010 that are equal to the lesser of 20 percent of the previous year's retail sales or 1 percent of the previous year's retail sales greater than the annual procurement target for the previous year.
- D. All applicable historic procurement claims for January 1, 2004 – December 31, 2010, baseline calculations, annual procurement target calculations, and any other pertinent data must be submitted to the California Energy Commission by January 1, 2014.

11. Exclusive Control (399.30(k)): In all matters regarding compliance with the RPS program, City shall retain exclusive control and discretion over the following:

- A. The mix of eligible renewable energy resources procured by SVP and those additional generation resources procured by SVP for purposes of ensuring resource adequacy and reliability.
- B. The reasonable costs incurred by SVP for eligible renewable energy resources owned by it.

12. Reporting (§ 399.30(f), § 399.30(g), § 399.30(l)), and 9605

A. Deliberations on Procurement Plan (399.30(f)):

- (1) *Public Notice:* Annually, City shall post notice as required by the Public Utility code of meetings if the City Council will deliberate in public regarding this RPS Procurement Plan and also in accordance with normal City Council procedures.
- (2) *Notice to the California Energy Commission ("CEC"):* Contemporaneous with the posting of a notice for such a meeting, City shall notify the CEC of the date, time and location of the meeting in order to enable the CEC to post the information on its Internet website.
- (3) *Documents and Materials Related to Procurement Status and Plans:* When SVP provides information to the City Council related to its renewable energy resources procurement status and future plans, for the Council's consideration at a noticed public meeting, SVP shall make that information available to the public and shall provide the CEC with an electronic copy of the documents for posting on the CEC's Internet website.

B. Compliance Reporting (per Section 3207 of the CEC RPS Regulations):

1. Annual Reports – by July 1 for each year (see Section 3206(c))

SVP shall submit an annual report to the CEC that includes the information in paragraphs (1) - (4) below for the prior calendar year. The report submitted in 2013 shall include information required by paragraphs (1)-(4) below for both the 2011 and 2012 calendar years. The format for the annual report shall be specified by the CEC, but the information contained in the annual report may be combined with other existing reports that contain the same information and are also supplied to the CEC. If the annual report refers to information provided to the CEC through existing reports, the annual report shall reference the information by identifying the name, submittal date, and page number of the existing report. Included in the report will be the following:

- (1) Identifying information, including:
 - (a) POU name, contact name, mailing address, phone number, and e-mail address.
 - (b) Year the City's electric utility was established.
 - (c) Number of end-use retail customer accounts in California.
- (2) RPS annual progress information for the prior calendar year, including:
 - (a) Amount of total retail sales to end-use customers, in MWh, and projected retail sales for the current compliance period.
 - (b) Amount of procured electricity products retired, in MWh.

- (c) WREGIS compliance report for procurement claims in the prior calendar year. For any procurement claims not tracked through WREGIS as permitted by the RPS Guidelines, SVP shall report procurement claims using the interim tracking system established by the Commission prior to the implementation of WREGIS.
- (d) An initial, nonbinding classification of retired electricity products qualifying for each portfolio content category or qualifying to count in full in accordance with section 3202 (a)(2).
- (e) A description of each of the eligible renewable energy resources with which SVP has executed contracts or ownership agreements during the prior year, including but not limited to the contracted amount of MWh, the contracted amount of MWh as a percentage of retail sales, resource fuel type, the execution date of the procurement contract or ownership agreement, the duration of the procurement contract or ownership agreement, a summary of the procurement contract or ownership agreement, the operational status of the resource, the date the resource came on-line, the date the resource came on-line using a renewable fuel or technology, if different, the date on which procurement of electricity products begins, if different, RPS certification status, the county, state, and country in which the resource is located, and a summary of the resource names and identification numbers.
- (f) Documentation demonstrating the portfolio content category classification claimed for procured electricity products. This documentation may include interconnection agreements, NERC e-Tag data, scheduling agreements, firming and shaping agreements, and electricity product contract information.
- (g) An explanation of any public goods funds collected for eligible renewable energy resource development, including a description of programs, expenditures, and expected or actual results.
- (h) A description of any identified issues that occurred that have the potential to delay timely compliance with the RPS procurement requirements defined in section 3204, and planned actions to minimize the delay of timely compliance. Such issues may include, but are not limited to, inadequate transmission to allow for procurement to be delivered from eligible renewable energy resources, permitting, interconnection, or other circumstances that have delayed the procurement from eligible renewable energy resources, unanticipated curtailment of a contracted or owned eligible renewable energy resource, and higher-than-expected costs for the procurement or development of eligible renewable energy resources.
- (i) An attestation, signed by an authorized agent, affirming that the information provided in the report is true and correct.

- (3) Actions taken by SVP demonstrating reasonable progress toward meeting its RPS procurement requirements. The information reported shall include, but not be limited to, a discussion of the following actions taken by SVP during the prior calendar year:
 - (a) Solicitations released to solicit bid for contracts to procure electricity products from eligible renewable energy resources to satisfy SVP's RPS procurement requirements.
 - (b) Solicitations released to solicit bid for ownership agreements for eligible renewable energy resources to satisfy the SVP's RPS procurement requirements.
 - (c) Actions taken to develop eligible renewable energy resources to satisfy SVP's RPS procurement requirements, including initiating environmental studies, completing environmental studies, acquiring interests in land for facility siting or transmission, filing applications for facility or transmission siting permits, and receiving approval for facility or transmission siting permits.
 - (d) Interconnection requests filed for eligible renewable energy resources to satisfy SVP's RPS procurement requirements.
 - (e) Interconnection agreements negotiated and executed for eligible renewable energy resources to satisfy SVP's RPS procurement requirements.
 - (f) Transmission-related agreements negotiated and executed to transmit electricity products procured from eligible renewable energy resources to satisfy SVP's RPS procurement requirements.
 - (g) Other planning activities to procure electricity products from eligible renewable energy resources.
 - (4) SVP shall include a description of all actions planned in the current calendar year to demonstrate progress towards achieving its RPS procurement requirements.
2. **Compliance Period Reports** – by July 1 of 2014, 2017, 2021, and annually thereafter. (see Section 3207(d) of the CEC RPS Regulations)

By July 1, 2014; July 1, 2017; July 1, 2021; and by July 1 of each year thereafter, SVP shall submit to the CEC a compliance report that addresses the reporting requirements of the previous section and the following information for the preceding compliance period

- (1) Classification per RPS-certified facility of the amount of procurement qualifying for each portfolio content category and procurement that shall count in full.

- (2) SVP's RPS procurement target for the compliance period, in MWh.
- (3) The amount of excess procurement, in MWh, from previous compliance periods, if any, and historic carryover, if any, that SVP is applying to the compliance period.
- (4) The amount of procurement retired, in MWh, that SVP wishes to claim toward the RPS procurement target for calculating the portfolio balance requirements.
- (5) The amount of excess procurement, in MWh, for the compliance period, if any, that may be applied toward future compliance periods.
- (6) If the compliance report indicates that SVP's RPS procurement requirements were not met, SVP shall provide documentation to justify the application of any optional compliance measures adopted in accordance with this plan. The documentation shall include all reports, analyses, proposed findings, and any other information upon which SVP relied in applying the measure. SVP shall also submit an updated enforcement program and/or procurement plan that includes a schedule identifying potential sources of electricity products currently available or anticipated to be available in the future for meeting the shortfall.
 - (a) If SVP applies adopted cost limitation measures, it shall report that cost limitation to the CEC in dollars spent during the compliance period. SVP shall also provide the CEC with an estimate of the total cost to procure sufficient electricity products to meet its RPS procurement requirements for the preceding compliance period. A report on actions taken in response to RPS procurement expenditures meeting or exceeding the cost limitation shall also be provided.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF SANTA CLARA,
CALIFORNIA, UPDATING THE RENEWABLE
ENERGY RESOURCE PROCUREMENT PLAN (RPS
PROCUREMENT PLAN)**

BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, the State of California has an existing California Renewables Portfolio Standard Program (“RPS Program”) that is intended to increase the amount of electricity generated each year from eligible renewable energy resources; and

WHEREAS, on April 12, 2011, the Governor of the State of California signed California Senate Bill 2 of the First Extraordinary Session (SBX1-2, Chapter 1, Statutes of 2011, First Extraordinary Session), known as the *California Renewable Energy Resources Act*; and

WHEREAS, on September 9, 2011, the California Legislature ended the First Extraordinary Session; and

WHEREAS, SBX1-2 became effective on December 10, 2011, ninety-one days after the end of the First Extraordinary Session; and

WHEREAS, SBX1-2 states the intent of the Legislature that the amount of electricity generated per year from eligible renewable energy resources be increased to an amount that equals at least 20% of the total electricity sold to retail customers in California per year by December 31, 2013, and 33% by December 31, 2020; and

WHEREAS, pursuant to the provisions of Public Utilities Code section 399.30(a), the City must adopt, implement, and update a renewable energy resources procurement plan (hereinafter referred to as the “RPS Procurement Plan”) to fulfill unmet long-term generation resource needs, that requires the City to procure a minimum quantity of electricity products from eligible renewable energy resources, including renewable energy credits, as a specified percentage of the

total kilowatt-hours sold to the City's retail end-use customers each compliance period, to achieve specified procurement targets; and

WHEREAS, pursuant to the provisions of Public Utilities Code section 399.30(m), the City shall retain discretion over the mix of eligible renewable energy resources procured by the City and those additional generation resources procured by the City for purposes of ensuring resource adequacy and reliability, and the reasonable costs incurred by the City for eligible renewable energy resources owned by City; and,

WHEREAS, the RPS Procurement Plan, among other things: defines compliance periods, includes minimum renewable procurement targets for each compliance period, defines reasonable progress toward meeting the compliance period targets, defines procurement content categories and quantities within each category, establishes the City's adoption of excess procurement and historic carryover options, establishes exemptions from timely compliance due to qualifying mitigating circumstances consistent with SB X1 2 and current RPS regulations, and outlines reporting requirements.

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the City of Santa Clara hereby adopts this updated Renewable Energy Resources Procurement Plan, attached to this Resolution and hereby incorporated by reference, for the procurement of renewable energy resources, which shall be known as the City's "RPS Procurement Plan.
2. That enforcement of the City's RPS Procurement Plan lies solely with the City Council as the governing board of the City's Electric Utility, Silicon Valley Power.
3. That annually, the Director of City's Electric Utility, or the Director's designee, shall review the City's RPS Procurement Plan to determine compliance with the Plan;

5. That annually, the Director of City's Electric Utility shall report to the City Council, the public, and the California Energy Commission, the progress of the Electric Utility towards the RPS Procurement Plan.
6. Constitutionality, severability. If any section, subsection, sentence, clause, phrase, or word of this resolution is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the resolution. The City of Santa Clara, California, hereby declares that it would have passed this resolution and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more section(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.
7. Effective Date: This Resolution shall be effective on immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE ____ DAY OF _____, 2013, BY THE FOLLOWING VOTE:

AYES:	COUNCILORS:
NOES:	COUNCILORS:
ABSENT:	COUNCILORS:
ABSTAINED:	COUNCILORS:

ATTEST:

ROD DIRIDON, JR.
CITY CLERK
CITY OF SANTA CLARA

Attachment incorporated by reference:

1. Updated Renewable Portfolio Standard Procurement Plan